

BALANCE SHEET

	BANK AUDITED DECEMBER 2007 (KSHS'000)	BANK AUDITED DECEMBER 2008 (KSHS'000)	GROUP AUDITED DECEMBER 2008 (KSHS'000)
A ASSETS			
1 Cash (both local and foreign)	146,078	305,412	374,091
2 Balances due from Central Banks	1,553,161	1,568,229	1,796,381
3 Kenya Government securities	5,084,172	4,779,494	4,779,494
4 Foreign Currency Treasury bills and Bonds	-	-	927,335
5 Deposits and Balances due from Local banking Institutions	121,910	339,956	461,165
6 Deposits and Balances due from banking Institutions abroad	684,767	812,539	1,539,655
7 Government and other securities held for dealing purposes	-	-	18,913
8 Tax recoverable	-	-	-
9 Loans and advances to customers (net)	19,214,789	25,886,893	29,775,366
10 Investment Securities	211,134	215,138	215,138
11 Balances due from group companies	-	-	-
12 Investment in associates	-	-	-
13 Investment in subsidiary companies	-	-	-
14 Investment in joint ventures	-	846,077	-
15 Investment properties	-	-	-
16 Property and equipment	1,091,662	1,048,343	1,373,323
17 Prepaid lease rentals	109,388	108,079	108,079
18 Intangible assets	19,433	77,968	398,310
19 Deferred tax asset	110,619	148,020	217,571
20 Retirement benefit asset	-	-	-
21 Other assets	1,072,986	519,730	873,121
22 TOTAL ASSETS	29,420,098	36,655,878	42,857,942
B LIABILITIES			
23 Balances due to Central Banks	-	-	-
24 Customer deposits	23,625,870	28,354,657	34,420,747
25 Deposits and balances due to local banking institutions	107,371	625,206	625,206
26 Deposits and balances due to foreign banking institutions	138,770	123,785	129,136
27 Other money market deposits	632,999	194,306	194,306
28 Borrowed funds	238,713	1,318,325	1,318,325
29 Balances due to Group Companies	-	-	-
30 Tax payable	115,147	35,507	35,507
31 Dividends Payable	-	-	-
32 Deferred tax liability	-	-	-
33 Retirement benefit liability	-	-	-
34 Other Liabilities	694,275	816,385	956,212
35 TOTAL LIABILITIES	25,553,145	31,468,171	37,679,439
C SHAREHOLDERS' EQUITY			
36 Paid up/ Assigned share capital	2,174,000	2,324,000	2,324,000
37 Share premium/ (discount)	104,954	554,495	554,495
38 Revaluation reserves	-	-	-
39 Retained earnings/(Accumulated losses)	1,486,159	1,911,106	1,905,689
40 Statutory Loan Loss Reserves	8,321	-	-
41 Proposed dividends	93,520	398,106	398,106
42 Capital Grants	-	-	-
43 Other Reserves	-	-	(3,787)
44 TOTAL SHAREHOLDERS' EQUITY	3,866,953	5,187,707	5,178,503
45 TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	29,420,098	36,655,878	42,857,942

INCOME STATEMENT

	BANK AUDITED DECEMBER 2007 (KSHS'000)	BANK AUDITED DECEMBER 2008 (KSHS'000)	GROUP AUDITED DECEMBER 2008 (KSHS'000)
1 INTEREST INCOME			
1.1 Loans and advances	2,208,574	2,988,450	3,185,145
1.2 Government securities	464,583	509,822	653,791
1.3 Deposits and placements with banking institutions	74,478	60,256	75,789
1.4 Other interest income	18,234	18,121	18,121
1.5 Total interest income	2,765,869	3,576,649	3,932,846
2 INTEREST EXPENSE			
2.1 Customer deposits	1,010,181	1,406,293	1,729,390
2.2 Deposits and placements from banking institutions	23,164	53,094	54,029
2.3 Other interest expenses	23,833	46,787	46,787
2.4 Total interest expense	1,057,178	1,506,174	1,830,206
3 NET INTEREST INCOME/ (LOSS)	1,708,691	2,070,475	2,102,640
4 NON - OPERATING INCOME			
4.1 Fees and commissions on loans and advances	143,880	171,861	180,674
4.2 Other fees and commissions	275,915	362,683	368,805
4.3 Foreign exchange trading income (Loss)	138,006	199,493	273,094
4.4 Dividend income	-	-	-
4.5 Other income	90,502	106,491	114,110
4.6 Total non-interest income	648,303	840,528	936,683
5 TOTAL OPERATING INCOME	2,356,994	2,911,003	3,039,323
6 OTHER OPERATING EXPENSES			
6.1 Loan loss provisions	125,547	171,532	166,894
6.2 Staff costs	453,581	618,854	707,230
6.3 Directors' emoluments	12,380	14,240	14,240
6.4 Rentals charges	37,322	79,570	96,220
6.5 Depreciation charge on property and equipment	88,827	125,448	146,372
6.6 Amortisation charges	-	218	218
6.7 Other operating expenses	345,174	281,376	316,598
6.8 Total other Operating Expenses	1,062,830	1,291,238	1,447,772
7 PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	1,294,164	1,619,765	1,591,551
8 EXCEPTIONAL ITEMS	-	-	-
9 PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS	1,294,164	1,619,765	1,591,551
10 CURRENT TAX	(449,013)	(538,073)	(515,274)
11 DEFERRED TAX	37,701	37,401	37,401
12 PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	882,852	1,119,093	1,113,678

OTHER DISCLOSURES

	BANK AUDITED DECEMBER 2007 (KSHS'000)	BANK AUDITED DECEMBER 2008 (KSHS'000)
1 NON - PERFORMING LOANS AND ADVANCES		
a) Gross Non- performing Loans and advances	418,889	1,930,125
Less		
b) Interest in suspense	102,978	186,332
c) Total Non- performing loans and advances (a-b)	315,911	1,743,793
Less		
d) Loan loss provisions	70,595	179,549
e) Net Non Performing Loans(c-d)	245,316	1,564,244
f) Discounted value of securities	245,316	1,564,244
g) Net NPLs exposure (e-f)	0	0
2 INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	41,007	42,081
b) Employees	112,140	107,783
c) Total Insider Loans and Advances	153,147	149,864
3 OFF- BALANCE SHEET ITEMS		
a) Letters of Credit,Guarantees,Acceptances	7,197,471	12,927,060
b) Other contingent items	1,758,367	6,189,436
c) Total contingent liabilities	8,955,838	19,116,497
4 CAPITAL STRENGTH		
a) Core capital	3,749,842	3,932,774
b) Minimum Statutory Capital	250,000	250,000
c) Excess/ (deficiency)	3,499,842	3,682,774
d) Supplementary capital	8,321	600,000
e) Total capital (a+d)	3,758,163	4,532,774
f) Total risk weighted assets	26,033,144	35,914,109
g) Core capital/total deposit liabilities	15.80%	13.48%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess /(Deficiency) (g-h)	7.80%	5.48%
j) Core capital/total risk weighted assets	14.40%	10.95%
k) Minimum statutory ratio	8.00%	8.00%
l) Excess /(Deficiency) (j-k)	6.40%	2.95%
m) Total capital/total risk weighted assets	14.44%	12.62%
n) Minimum statutory ratio	12.00%	12.00%
o) Excess /(Deficiency) (m-n)	2.44%	0.62%
5 LIQUIDITY		
a) Liquidity ratio	29.79%	24.83%
b) Minimum Statutory ratio	20.00%	20.00%
c) Excess /(Deficiency) (a-b)	9.79%	4.83%

MESSAGE FROM THE DIRECTORS

The above are extracts of the financial statements and records of the institution.

Signed: **S.B.R. Shah** : Chairman
Sarit S Raja Shah : Executive Director

Our customers always come 1st

